

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting

Lansing, Michigan

July 25, 2012

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met at The Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan, on Wednesday, July 25, 2012, commencing at the hour of approximately 10:00 a.m.

Members Present

J. David VanderVeen, Vice Chair
Rick Fiddler, Commissioner
Roger Salo, Commissioner
Pete Kamarainen, Commissioner
Scott Heather, Designee – MDNR
Lt. Col. Dan Atkinson, Designee – MSP
Laura Mester – Designee - MDOT
Col. Len Isabelle, Designee – MDMVA
Dave Brickey, Legal Counsel
Mike Trout, Director

Staff Present

Kelly Badra
Dave Baker
Tara Ball
Neal Barncard
Rick Carlson
Jennifer Forbes
Tera Fricke
Leanne Hengesbach
Steve Houtteman
Tom Krashen
Chip Kraus
Pauline Misjak
Mark Noel
Steve Schultz
Ralph Sims
Lorraine White

Members Absent

Russ Kavalhuna, Chair

Also Present

Erich Thiel, RS&H
Ron Lebbon, QOE
Eric Jaroch, Roscommon County
Daniel Otto, CRAA
Joe Harper
Larry Bowron, City of Battle Creek
Kelly Jost, C&S Engineers
Mark Johnson, Livingston County Airport
John Mayfield, FAA, Detroit ADO
Jon Bayless, Grand Ledge Abrams Airport

I. OPENING REMARKS

The July 25, 2012 Michigan Aeronautics Meeting was called to order by Vice Chairman David VanderVeen at 10:04 a.m.



Vice Chairman VanderVeen began the meeting with the Pledge of Allegiance. He then recognized the airport managers in attendance, also John Mayfield from the FAA, Detroit ADO.

Vice Chairman VanderVeen introduced the three new Commissioners starting with Roger Salo. Commissioner Salo, replaced out-going Commissioner James Collins, is a founding member and current chair of the Michigan Business Aviation Association, a member of the Aircraft Owners and Pilot Association and serves on the National Business Aviation Association's Safety Committee. He is a certified flight instructor, holds a bachelor's degree in biology from Hillsdale College and studied aviation management at the University of Virginia's Darden School of Business. He currently is the Director of Aviation for the MASCO Corporation. Vice Chairman VanderVeen invited Commissioner Salo to say a few words.

Commissioner Salo thanked Vice Chairman VanderVeen, adding he is honored to be part of the commission and looks forward to learning the commission business.

Vice Chairman VanderVeen next introduced Rick Fiddler. He replaces out-going Commissioner Sid Adams, is a former chairman of the Michigan Business Aviation Association and is a member of the Gulfstream Customer Advisory Board, Sikorsky/United Technologies Customer Advisory Board and the Gerald R. Ford International Airport Task Force Committee. He is a certified flight instructor, holds a USA Airline Transport Pilot certificate and earned a bachelor's degree in law enforcement from Ferris State University. He currently is the Director of Aviation at Amway Corporation. Vice Chairman VanderVeen invited Commissioner Fiddler to say a few words.

Commissioner Fiddler thanked Vice Chairman VanderVeen; he also looks forward to learning about the commission.

Vice Chairman VanderVeen introduced Col. Len Isabelle, who replaced out-going Department of Military and Veterans Affairs designee Maj. Gen. Bob Johnston. Colonel Len Isabelle is assigned to the Michigan National Guard Joint Forces Headquarters in Lansing. As Vice Chief of Staff-Air, he is responsible for directing the activities of the Michigan Air National Guard headquarters staff in support of the Adjutant General of Michigan, and units located at Selfridge Air National Guard Base, Battle Creek Air National Guard Base, and the Combat Readiness Training Center, Alpena, Michigan. Vice Chairman VanderVeen invited Commissioner Isabelle to say a few words.

Commissioner Isabelle thanked Vice Chair VanderVeen, saying it is a pleasure to be here and an honor to be part of the commission. He looks forward to serving as well as Maj. Gen. Johnston did for many years.

Roll call was taken; Commission Chair Kavalhuna was absent.

II. COMMISSION BUSINESS

- A. Vice Chairman VanderVeen asked if there were any changes to the minutes of the May 16, 2012 meeting. There were none. He entertained a motion to approve the minutes.



Moved by Commissioner Kamarainen and supported by Commissioner Heather to approve the minutes as written. The motion passed unanimously.

- B. In Chairman Kavalhuna's absence, Vice Chairman VanderVeen read the process for the election of Chairman and Vice Chairman for the next year.

In accordance with the Michigan Aeronautics Commission By-Laws, Article IV, Section 4.1: On behalf of Chairman Kavalhuna, he hereby appointed Commissioners Salo and Fiddler to serve with Chairman Kavalhuna as the nominating committee to recommend to the Commission, at the September 12, 2012 meeting, the persons for consideration for election to the Commission Chair and Vice Chair for 2013. No motion is required for this action.

- C. Vice Chairman VanderVeen asked Mr. David Baker to present the 25 airport sponsor contracts.

1. Alpena County Airport, Alpena
2. Antrim County Airport, Bellaire
3. Roben-Hood Airport, Big Rapids
4. Bois Blanc Island Airport, Boise Blanc Island
5. Fitch H. Beach Municipal Airport, Charlotte
6. Charlevoix County Airport, Charlevoix
7. Detroit Metropolitan – Wayne County International Airport, Detroit
8. Detroit Metropolitan – Wayne County International Airport, Detroit
9. Evart Municipal Airport, Evart

Vice Chairman VanderVeen asked why there are no airplanes based at the Evart airport. Mr. Baker replied saying there are two local factories that are served by the airport.

10. Fremont Municipal Airport, Fremont
11. Abrams Municipal Airport, Grand Ledge
12. Hastings City/Barry County Airport, Hastings
13. Oceana County Airport, Hart/Shelby
14. Roscommon County – Blodgett Memorial Airport, Houghton Lake
15. Livingston County – Spencer J. Hardy Airport, Howell
16. Capital Region International Airport, Lansing
17. Luce County Airport, Newberry
18. Canton-Plymouth Mettetal Airport, Plymouth

Vice Chairman VanderVeen inquired about a waiting list for the hangars at the airport, or are their occupants in place. Mr. Baker responded saying they have some sub-standard hangars, the airport has been working to replace them with more modern facilities, also making a change in the rent.

19. Canton-Plymouth Mettetal Airport, Plymouth
20. Romeo State Airport, Romeo



For the benefit of the three new Commissioners, Vice Chairman VanderVeen gave background information on the Plymouth and Romeo airports being owned by the State of Michigan.

21. MBS International Airport, Saginaw
22. Sandusky City Airport, Sandusky
23. Chippewa County International Airport, Sault Ste. Marie
24. Paul C. Miller Airport, Sparta
25. West Branch Community Airport, West Branch

Vice Chairman VanderVeen asked if there were any further questions on the airport sponsor contracts. Hearing none, he entertained a motion to approve. Moved by Commissioner Salo and seconded by Kamarainen to approve the 25 airport sponsor contracts as reported by Mr. Baker. The motion carried unanimously.

Vice Chairman VanderVeen went off the agenda and asked Mr. Baker to present the four Supplemental Transfers: W.K. Kellogg Airport, Battle Creek; Gaylord Regional Airport Gaylord; Gerald R. Ford International Airport, Grand Rapids; and Mackinac County Airport, St. Ignace. Mr. Baker explained the process for these transfers. No Commission action is required. There were no questions on the supplemental transfers.

D. AWOS Contract Renewals

Vice Chairman VanderVeen asked Mr. Rick Carlson to give this report.

Mr. Carlson began his report, saying we have six maintenance contracts to be renewed. We started installing AWOSs in 1991; Mackinac Island was the first. We maintained the equipment using contracts on a 50-50 basis with the sponsors. The new contracts will be limited to three years because it is impossible to look 20 years ahead to see if we would have funds to support the program. The arrangement is that our technicians maintain the AWOS systems; there have been some changes in the FAA rules for the inspection process. The short-term contracts give the airport an opportunity to have a local contractor conduct the inspections, instead of the state. This also offers a little more flexibility. In the past, this would be approved through the State Administrative Board; we now recommend that the Michigan Aeronautics Commission approve the contract renewals. Mr. Carlson added that these are not high-dollar contracts; we anticipate approximately \$6,000 per year with the state paying half and the sponsor paying half.

Vice Chairman VanderVeen added that the AWOS system is extremely important in Michigan. Mr. Carlson said that others besides just aviation users benefit from this program; he cited a weather station application. There were no further questions.

Vice Chair VanderVeen entertained a motion to approve the AWOS contract renewals. Moved and Commissioner Fiddler and supported by Commissioner Salo to approve the contract renewals as reported by Mr. Carlson. The motion passed unanimously.



III. REPORTS

A. Supplemental Transfers – acted upon earlier in the meeting.

B. MAC Director's Report

Vice Chairman VanderVeen asked MAC Director Mike Trout to give his report.

Director Trout welcomed the new Commissioners. He began his report outlining its contents.

He wants to get the commission to look to the future; he mentioned a recent demonstration by Skyspecs, which is an unmanned aerial vehicle for efficient infrastructure inspection. They are small aircraft that take off and land on a pre-programmed flight pattern – no operator. It is programmed, automatically flies the mission, then returns. Director Trout mentioned the benefits for the State of Michigan, MDOT in particular. They are looking at applications dealing with bridge inspections. He is hoping to have another demonstration at the MAAE conference in September.

Vice Chairman VanderVeen indicated that a group in Alpena County is interested in this unmanned system development. He thinks the FAA has six centers of excellence that they would like to develop and are funding this research and development. He believes it would be good to have one in Michigan. Director Trout indicated that Governor Snyder agrees; he has written a letter of support for this program. This will bring attention to our state. Perhaps the Alpena proposal will be an umbrella program to get this started in Michigan.

The Office of Aeronautics is currently undergoing a single audit, this is an effort to look at different financial processes; it is a little different from last year's audit, which looked at our business practices. We also had a block grant audit; which is conducted yearly by the FAA. Our procedures and policies currently in place are exactly what the FAA expects. Director Trout discussed section updates. In the Planning and Development Section, 42 projects have been let to date. The state-wide paint marking and state-wide crack sealing programs go hand-in-hand; 14 of the 16 eligible airports are in that program. For the Pavement Condition Index (PCI), the state commissions 36 airports per year for three years then go back to the start. The PCI ties into part of the strategic plan and pavement conditions, which is a high level goal for the state, so we monitor this very closely.

Mr. Dave Baker had an opportunity to look at the current PCI index for the state. Our current PCI index is 78 out of 100, which is extremely good. The program is working very well for us. Commissioner Salo asked if this covers all of our public use airports. Mr. Baker responded saying only the Tier One airports. Director Trout added that it is our goal to keep it this way; that's why funding is so important.

Director Trout's report then went to the tall structures review. So far in 2012, 1,192 applications have been reviewed; of this 504 were wind turbines. He commended Linn Smith and Tera Fricke for their efforts.



For the Programming section, 224 non-primary and 6 primary closeouts were completed. There were 7 state block grant closeouts completed and 3 additional closeouts drafted.

Several pilot seminars are conducted each year; since May, over 100 people have attended. Director Trout also mentioned the Youth Development Mentoring Program on July 5, in which 85 students came from the Metro Region and 60 from the University Region. He thanked the staff for their efforts on this program.

Director Trout discussed some budget issues. For aviation fuel tax, he compared the amount of tax collected last year, and the Treasury estimate for this year. Our aviation fuel tax revenue this year is down 5.08% from last year, as is the five-year average, which is down 5.81%.

Recent events were discussed, including:

- 2012 AASHTO Spring Meeting, Traverse City, May 17-21
- FAA State Block Grant Reviews, May 22-25
- 2012 Michigan Aviation Hall of Fame Enshrinement Ceremony and Dinner, Kalamazoo, May 29
- MBAA Meeting, June 4
- Maintenance/ARFF Dedication, Pellston, June 9
- Terminal Dedication at Price's Airport, Linden, June 23
- Battle Creek Field of Flight Air Shows and Balloon Festival, Battle Creek, June 30/July 1
- GA Committee Meeting, June 19
- National Cherry Festival Air Show, Traverse City, July 7-8
- Detroit Metro Airport Ribbon Cutting Ceremony for the Ground Run-Up Enclosure, July 24

Upcoming events include:

- Nautical City Festival Air Show, Rogers City, August 3-5
- Thunder Over Michigan, Willow Run Airport, August 4-5
- Wings Over Alpena Air Show, Alpena, August 18
- Gratiot Community Airshow, Alma, August 25-26
- Oakland County International Airport House Airshow, Waterford, August 26

Information on upcoming air shows around the state was also shared.

Director Trout recognized Office of Aeronautics staff and presented them with service awards:
Kelly Crannell, five years of service,
Kelly Badra, 11-1/2 years of service,
Neal Barncard, 15 years of service,
Dave Baker, 20 years of service,
Amanda Hopper, 20 years of service,
Juan Zapata, 20 years of service.



He also introduced Mr. Steve Houtteman, who was recently hired as our Environmental Specialist, replacing Molly Lamrouex, and recognized Barbara Burris who retired in May.

Vice Chairman VanderVeen thanked Director Trout for his report.

Commissioner Heather posed a question to Director Trout. The Governor has talked about trying to change how roads and bridges will be funded next year. Will there be any affect on the aviation fuel tax included in the package? Director Trout has not heard, but suggested that maybe Commissioner Mester may have some information. Commissioner Mester responded saying it is part of the discussion; all transportation related taxes are part of the discussion. Part of the reason the Governor signed the bill for aviation fuel tax is because it demonstrated, with the legislature, that it needed to be addressed and that was the starting point.

Commissioner Heather thanked her for her response, adding that it is a good opportunity to fix the issue permanently.

Director Trout briefly spoke about HB 4025; there is a one-year sunset on redirecting a portion of the sales tax on aviation products. That will give us the opportunity to look at all transportation; we gladly are a part of this. In the long term, a cents per gallon fuel tax will not work for us, we need to look at the next thing we can use, it is a declining commodity. With the efficiency of airplanes, we want to look at a new solution to the problem.

Vice Chairman VanderVeen thanked Commissioner Heather. Commissioner Mester commented saying yes, this is limited to one year to remind everyone that we need a solution that may not necessarily be related to fuel taxes. There are other revenue streams that could be pursued and evaluated because of the shortage in all modes of transportation.

Vice Chairman VanderVeen said we can rely on the support from the MAAE and MBAA on this issue.

Commissioner Salo mentioned they have been working on this for as long as he has been with the MBAA. He appreciates the Governor signing the bill.

- C. Vice Chairman VanderVeen asked Commissioner Kamarainen to present his report on the GA subcommittee.

Commissioner Kamarainen gave a background for the sake of the new commissioners. At the last meeting, his report centered on the issue at North Fox Island. He gave a brief description of the airport which is owned by the Department of Natural Resources, who would like to open it for public use. North Fox Island met with (now former) Director Stokes and Director Bill Moritz and discussed the island. DNR seemed amenable to looking into the issue, however they had three areas of concern, one being the funding source. Policies and procedures and a use plan were also discussed. The commission is continuing discussions on North Fox Island; no commission action is needed. This preserves airports and promotes aviation.

Vice Chairman VanderVeen thanked him for his report.



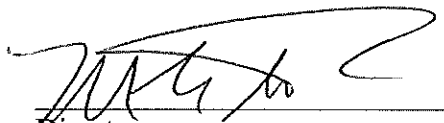
IV. PUBLIC COMMENT

There was no further public comment.


CLOSING

Vice Chairman announced that the next meeting will be held on September 12, 2012 at the Bavarian Inn in Frankenmuth, as part of the MAAE Fall Conference.

The meeting was adjourned at 10:56 a.m.



Director



Chairman

Dated 9/12/12

